

Message Text

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ORIGIN ARA-10

INFO OCT-01 IO-10 ISO-00 SS-15 SP-02 L-02 NSC-05 CIAE-00

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FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS PRIORITY

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E.O. 11652: N/A

TAGS: XR, PFOR

SUBJECT: SECRET PAYMENTS BY UNITED BRANDS TO GENERAL LOPEZ

-- OF HONDURAS

REF: STATE 78970

WALL STREET JOURNAL HAS STORY. IT LIKELY WILL BREAK APRIL
9. IN ANTICIPATION, FOLLOWING IS PRESS GUIDANCE PREPARED
FOR USE ON IF ASKED BASIS BY DEPT. SPOKESMAN.

Q: DID THE DEPT KNOW ABOUT THE ALLEGED PAYMENTS BY UNITED
BRANDS TO GENERAL LOPEZ?

A: WE HAD HEARD ALLEGATIONS THAT PAYMENTS WERE MADE TO CER-
TAIN HIGH GOVERNMENT OFFICIALS IN HONDURAS IN CONNECTION
WITH ONGOING NEGOTIATIONS BETWEEN UNITED BRANDS AND THE
GOVERNMENT OF HONDURAS.

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Q: WHEN DID YOU FIND OUT?

A: WE FIRST LEARNED OF THIS ABOUT TWO WEEKS AGO WHEN THE COUNSEL FOR THE COMPANY, REALIZING THE POTENTIAL IMPLICATIONS, ADVISED US OF IT.

Q: DID THE COUNSEL, OR THE COMPANY, ASK FOR THE DEPT.'S ASSISTANCE IN THIS MATTER?

A: YES, THEY ASKED FOR THE DEPT.'S SUPPORT IN THEIR EFFORTS TO PREVENT THIS INFORMATION FROM BEING DISCLOSED.

Q: WHO WANTED TO DISCLOSE IT? HOW DID THAT MATTER ARISE?

A: THE SECURITIES AND EXCHANGE COMMISSION FELT THAT, UNDER THEIR REGULATIONS, THIS MATTER SHOULD BE DISCLOSED TO THE SHAREHOLDERS.

Q: DID YOU TAKE ANY POSITION ON THAT REQUEST?

A: YES. WE SAID THAT IF THE FACTS WERE AS ALLEGED, WE CONDEMNED SUCH ACTIONS IN THE STRONGEST POSSIBLE TERMS, AND ADVISED UNITED BRANDS THAT IT WOULD BE INAPPROPRIATE FOR THE DEPT TO PARTICIPATE IN ANY PROCEEDING SEEKING TO KEEP THE INFORMATION FROM BEING DISCLOSED.

Q: DOES THIS HAVE ANYTHING TO DO WITH THE RECENT GOVERNMENTAL CHANGES IN HONDURAS?

A: NOT AS FAR AS WE KNOW. WE DON'T HAVE ANY REASON TO BELIEVE THE TWO EVENTS ARE RELATED.

Q: WILL THIS AFFECT OUR RELATIONS WITH HONDURAS?

A: WE HOPE NOT. OUR RELATIONS WITH THE PEOPLE AND GOVERNMENT OF HONDURAS TRADITIONALLY HAVE BEEN CLOSE AND CORDIAL. GIVEN THE FACT THAT THE UNITED STATES GOVERNMENT PLAYED NO PART IN THIS MATTER, EVEN IF THE FACTS ARE AS ALLEGED, WE SEE NO REASON WHY THESE EXCELLENT RELATIONS SHOULD BE AFFECTED.

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Q: HAVE YOU DISCUSSED THIS INFORMATION WITH THE HONDURAN GOVERNMENT?

A: NO.

PLEASE REPORT LOCAL PRESS AND PUBLIC REACTION. KISSINGER

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